

XXVII. POLICIES AND PROCEDURES FOR USE OF PART B FUNDS

It is the policy of the Iowa Department of Education to award a minimum of 75 percent of the funds received under IDEA Part B to local education agencies (LEAs) that have established their eligibility under section 613, and to state agencies that receive funds under section 614A(a) of this Act for fiscal year 1997, as then in effect, and have established their eligibility under section 613, for use in accordance with Part B of IDEA.

On May 9, 1977, the Iowa State Board of Education took formal action establishing the Area Education Agencies (AEAs) of Iowa as the official applicant agency for all programs and/or projects submitted to the State Education Agency for review and approval. This designation document reads as follows:

Area Education Agencies of the State of Iowa are hereby designated by the Iowa State Board of Education as the applicant agency for all programs and/or projects submitted to the State Education Agency for review and approval under the provisions of Part B, Education of the Handicapped Act, as amended by P.L. 94-142. So designated, these agencies will be responsible for the development and submission of consolidated applications, as authorized in (Section 614(a)(C), P.L. 94-142), for all public local education agencies within their designated service area. Such applications, will be developed cooperatively with personnel representing local education agencies so as to insure that the educational services provided through these programs and/or projects are appropriate to meet the needs of handicapped children to be served.

These AEAs are intermediate education units established by state law with statutory responsibility for the proper identification of children requiring special education and for assuring that such children receive an appropriate special education program and related services. Additionally, these agencies have responsibility for providing and supervising the support service personnel required to provide an adequate program of related services for all children with disabilities in their designated service areas.

State agencies that operate programs formerly funded under provisions of Chapter 1 State Operated Programs for the Handicapped are also subrecipients and subject to the same requirements as the AEAs.

The department reserves the right to audit the records of any agency providing special education for eligible individuals. Iowa Code prescribes that all local and intermediate educational agencies, merged area schools, municipalities and other public agencies are audited on an annual basis. Further the Office of Management and Budget (OMB) requires non-federal agencies receiving federal funds totaling \$300,000, or more be in accordance with OMB Circular A-133.

ALLOCATION TO LOCAL EDUCATION AGENCIES

Interim Procedure.- For each fiscal year of which funds are allocated to States under subsection (d) (2), the Iowa Department of Education shall allocate funds in accordance with section 611(d) of the Act, as in effect prior to the enactment of the Individuals with Disabilities Education Act Amendments of 1997.

Permanent Procedure- For each fiscal year for which funds are allocated to States under subsection (e), the Iowa Department of Education shall allocate funds as follows:

1. Base Payments - The Iowa Department of Education shall first award each agency the amount that agency would have received under this section for the base year, as defined in subsection (e) (2)(A), if the Iowa Department of Education had distributed 75 percent of its grant for that year under section 611(d), as then in effect.
2. Allocation of remaining funds - After making allocation, the Iowa Department of Education shall allocate 85 percent of any remaining funds to those agencies on the basis of the relative numbers of children enrolled in public an private elementary and secondary schools within the agency's jurisdiction, and allocate 15 percent of those remaining funds to those agencies in accordance with their relative numbers of children living in poverty, as determined by the Iowa Department of Education.

Eligible agencies will receive a proportionate share of the total state allocation based upon the number of students with disabilities served in the local agency as compared with the aggregate number of students with disabilities served in all eligible agencies in the state. Students with disabilities who do not meet the IDEA-B eligibility requirements are not counted in computing the agency's entitlement.

The LEA must have on file with the SEA information to demonstrate that amounts provided to the LEA under Part B of IDEA will be expended in accordance with the applicable provisions of the IDEA, will be used to only to pay the excess costs of providing special education and related services, and will be used to supplement State, local and other Federal funds and not to supplant those funds.

STATE AGENCY USE OF FUNDS

The remainder of the funds are for State-level activities as described below.

For each fiscal year, the Secretary determines and reports to the Iowa Department of Education amount that is 25 percent of this amount Iowa received for fiscal year 1997, cumulatively adjusted by the Secretary for each succeeding fiscal year by the lesser of—(1) the percentage increase, if any from the preceding fiscal year of the State's allocation under section 611 or the Act; or (2) the rate of inflation, as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor.

State Level Administration

For the purpose of administering Part B of the Act, including section 619 of the Act (including the coordination of activities under Part B of the IDEA with, and providing technical assistance to, other programs that provide services to children with disabilities), the Iowa Department of Education does not use more than twenty percent of the maximum amount it may retain under section 300.602(a) for any fiscal year.

The Iowa Department of Education uses funds under section 300.620 for - (1) administration of State activities under Part B of the IDEA and for planning at the State

level, including planning, or assisting in the planning , of programs or projects for the education of children with disabilities; (2) approval, supervision, monitoring, and evaluation of the effectiveness of local programs and projects for the education of children with disabilities; (3) technical assistance to LEAs with respect to the requirements of Part B of the IDEA; (4) leadership services for the program supervision and management of special education activities for children with disabilities; and (5) other State leadership activities and consultative services.

The Iowa Department of Education uses the remainder of its funds under section 300.620 for any of the following 1 through 8:

1. Support and direct services, including technical assistance and personnel development and training.
2. Administrative costs of monitoring and complaint investigation, but only to the extent that those costs exceed the costs incurred for those activities during fiscal year 1985.
3. To establish and implement the mediation process required by Section 300.506, including providing for the costs of mediators and support personnel.
4. To assist LEAs in meeting personnel shortages.
5. To develop a State Improvement Plan under subpart 1 of Part D of the Act.
6. Activities at the State and local levels to meet the performance goals established by the State under Section 300.137 and to support implementation of the State Improvement Plan under subpart 1 of Part D of the Act if the State receives funds under that subpart.
7. To supplement other amounts used to develop and implement a Statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families, but not to exceed one percent of the amount received by the State under section 611 of the Act. This system must be coordinated with and, to the extent appropriate, build on the system of coordinated services developed by the State under Part C of the Act.
8. For subgrants to LEAs for the purposes described in Section 300.622 (local capacity building).

Legal References

Federal Requirements

- 300.155 - Policies and Procedures for use of Part B funds
- 300.602 - State-level activities
- 300.620 - Use of funds for state administration
- 300.621 - Allowable costs
- 300.622 - Subgrants to LEAs for capacity building and improvement
- 300.623 - Amount required for subgrants to LEAs
- 300.624 - State discretion in awarding subgrants
- 300.711 - Subgrants to LEAs
- 300.712 - Allocations to LEAs
- 300.713 - Former Chapter I state agencies
- 300.714 - Reallocation of LEA funds

Iowa Requirements

- Iowa Code Chapter 256B.9 – Weighting plan – audits
- Iowa Code Chapter 11.6 – Examination of governmental subdivisions
- Iowa Administrative Rules of Special Education
 - 281-41.22 - AEA eligibility for federal grants
 - 281-41.33 - Audit
 - 281-41.141 - Audit